



April 20, 2006

0320-4540/4800-59070-20
OGC - 06153

Scot Collins, P.Eng.
Senior Engineer
Northpoint Energy Ltd.
Suite 1600, 734 Seventh Ave S.W.
Calgary Alberta T2P 3P8

Dear Mr Collins:

**RE: APPLICATION FOR COMMINGLED PRODUCTION APPROVAL
NORTHPOINT ET AL ALTARES a-A3-H/094-B-08; WA# 17739**

The OGC has reviewed your application dated March 30, 2006, for approval to commingle gas production from the Coplin and Halfway formations in the subject well.

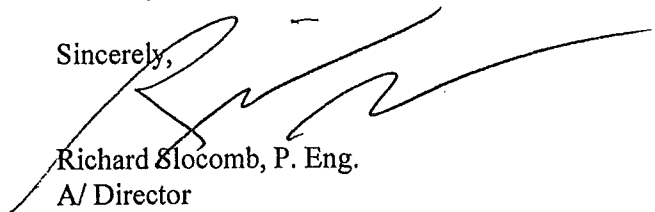
The Commission has designated the gas pools under application to be the Altares - Coplin "A" and Halfway "B". Both wells have been mapped as single well pools. The Coplin was perforated and acidized and flowed at 2.5 10³ m³/d. Liquid loading is anticipated to be a concern when producing the Coplin zone. The Halfway was perforated and fracture stimulated and flowed at 22.5 10³ m³/d. Neither zone has been on continuous production. Commingled production is expected to maximize production and recovery from these two zones. Both zones are sour gas with similar reservoir pressures. Due to the high H₂S content of these two zones, dual packers and a sliding sleeve are in place to minimize the length of production casing exposed to the corrosive producing fluids.

We wish to advise you that your application to commingle production from these zones is hereby granted approval, under the authority of Section 41 of the *Drilling and Production Regulation*, subject to the following conditions:

1. Production from the Coplin (1699.0 - 1701.3 mKB) and Halfway (1862.0 - 1871.0 mKB) formations may be commingled.
2. Gas, water and condensate production should be allocated on the Ministry of Provincial Revenue BC S-1 and BC S-2 forms on the basis of Coplin 25 % and Halfway 75 %. The allocation factors may be amended to reflect results of any future tests.
3. This approval may be modified at a later date if deemed appropriate through a change in circumstances.

Should you have any questions, please contact the undersigned at (250) 952-0366.

Sincerely,


Richard Slocomb, P. Eng.
A/ Director
Resource Conservation Branch

**Approval Letters to Industry
COMMINGLED PRODUCTION**

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<input type="checkbox"/>	Wellfile (originals)
<input type="checkbox"/>	59070-20
<input type="checkbox"/>	Daily
<input type="checkbox"/>	Resource Revenue
<input type="checkbox"/>	R. Stefik
<input type="checkbox"/>	G. Farr
<input type="checkbox"/>	R Slocomb
<input type="checkbox"/>	D. Krezanoski

RESOURCE CONSERVATION BRANCH

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